

Fiscal Highlights

September 12, 2013 Social Services Appropriations Meeting - Stephen C. Jardine

The Social Services Appropriations Subcommittee held a September 12, 2013 meeting at two Salt Lake City locations: Edison Elementary School in the morning and the Childrens Center in the afternoon. The legislators' agenda included the following:

Report regarding the Medicaid Data Breach. The Department of Technology Services will spend in FY 2014 about 5% or \$6.5 million on data security. The Department of Health has implemented a regular schedule for checking its systems for security issues.

Update on Medicaid Pharmacy Actual Acquisition Costs. The Department of Health will not be pursuing further actual acquisition cost as a reimbursement option within Medicaid. The initial reports indicate that this reimbursement system would likely cost the State more.

Presentation on Executive Branch Plans for Performance Measurement. The Governors Office of Management and Budget (GOMB) discussed the Governors SUCCESS efforts to affect a 25% efficiency throughout state agencies over a three year period by helping them think more strategically about where to spend their resources and time. GOMB has established a structured method for agencies to improve their systems which also allows the Governor to track progress by system, by agency, and by the State as a whole. GOMB will put its documents on its own website sometime in the future.

Tour of the Edison Elementary School. The school's Early Intervention Mental Health Pilot project was funded by a building block approved by the committee during the 2012 and 2013 General Sessions for \$3.5 million each year.

Report from Human Services, Health, Workforce Services, and the regarding what are the areas where services overlap between agencies for substance abuse and mental health and what are agencies doing to coordinate services that overlap.

Report from Health, [Human Services](#), Workforce Services, and the regarding the prioritization of and performance measures for the services and programs that these agencies currently operate.

Presentation from the State Auditor regarding a [performance audit of Utah State Office of Rehabilitation](#). The auditors made a presentation using the document an [Audit Brief A Performance Audit of the Division of Rehabilitation Services Cost Controls](#) and discussed finding as well as 15 recommendations from the audit. The audit and this item on the agenda were covered by the news media ([Audit reveals money waste and policy failures in rehab agency](#), Deseret News, September 12, 2013, Marjorie Cortez).

Presentation regarding Refugee Services in Utah. The Department of Workforce Services discussed programs for refugees operated by their department. Other presenters included Thurl Bailey (the Governor's Ambassador to Refugees in Utah), individual refugees, Catholic Community Services, and the Asian Community Center. An [Issue Brief Refugee Assistance](#) was also provided by staff.

Response regarding Subcommittee questions from the 2013 General Session, Department of Health:

1. For the autism pilot projects, Medicaid pays 69% or \$80 vs. the average PEHP rate of \$112 for the highest trained service provider. For the lesser trained service provider, Medicaid pays 55% or \$28 vs. PEHP's average reimbursement rate of \$51.

2. Resource: [Medicaid vs PEHP - Autism Pilot Reimbursement Rates](#)

Presentation regarding costs and benefits of the Medicaid Optional Expansion Report:

1. Comparison of the optional Medicaid expansion fiscal estimates of direct impacts: (A) average savings of \$13.5 million General/ Education Fund from 2014 to 2016 and costs of \$59.7 million General/Education Fund in FY 2021 from the Fiscal Analyst vs. (B) savings of \$19.4 million General Fund from 2014 to 2016 and costs of \$31.7 million General Fund in FY 2021 from the Public Consulting Group (PCG) report. The primary reasons for the differences are client projections, cost per client, and estimated savings from prisoners medical costs.

2. Resources:

- [Issue Brief - 2013 Interim - Medicaid Expansion Financial Estimate Comparison](#)
- [PCG - Utah Medicaid Expansion Analysis](#)

Tour of the Childrens Center, which mission is to provide comprehensive mental health care to infants, toddlers, preschoolers, and their families.

Update on Medicaid Eligibility Cards. The Department of Health anticipates changing to plastic rather than monthly paper eligibility cards in Medicaid starting July 2014. The ongoing annual General Fund savings will be about \$480,000 to \$520,000. There are one-time costs of about \$200,000 from the General Fund to make the change.

Verbal report by agencies regarding 2013 General Session Review and 2014 General Session Outlook:

1. Health - indicated that the Medicaid Management Information System replacement project will likely run out of money in the spring of 2014. Health also indicated there will be the full year impact of federal health care reform for FY 2015. The Legislature funded as ongoing the 1/2 year impact for FY 2014 starting in January.

2. Human Services - discussed potential 2014 General Session requests for mandatory and caseload increases for a variety of programs.

3. Workforce Services - discussed implementation using funding received to address newly eligible individuals resulting from passage of the federal *Affordable Care Act*.

4. State Office of Rehabilitation - discussed implementation of 2013 funding and potential requests for the 2014 General Session focusing particularly on increased caseloads for vocational rehabilitation clients.

5. Utah Association of Counties - discussed the ongoing issue for local mental health and substance abuse authorities of having to use all uncommitted funds for Medicaid match rate requirements. This situation leaves little funding to address non-Medicaid eligible individuals in their counties.

Report on Mental Health Pilot Project report. Human Services provided a report in response to 2013 General Session intent language. Additional material was provided to the committee including: [Early Intervention Mental Health Legislative Report](#), [Appendix A Barriers and Feedback](#), [Appendix B Early Intervention Schools](#), [Appendix C Access Map for Family Resource Facilitators](#), [Appendix D Mobile Crisis Map](#), [GOMB Quarterly Report](#).

Update on the General Assistance (GA) program. Workforce Services reported an impending rule change will save approximately \$300,000 annually in the General Assistance program by making applicants eligible at the end of any month in which they apply. The department suggested these savings could help cover more GA cases. The department indicated it will give a 60-day notice if they have to close the program.

Report on intent language regarding Employment Projects. Workforce Services provided two documents in order to respond to the intent language:

1. [DWS Employment Projects Report - Overview](#)
2. [DWS Employment Projects - Detailed Report](#)

Report on intent language regarding Employment Services. Workforce Services provided the document [Reed Act Employment Services](#) in order to respond to the intent language.

Answers from Human Services to 2013 General Session subcommittee questions. The department provided the document, [DHS Response Rep. Redd Questions on Medicaid Waivers](#), to answer committee questions regarding Medicaid waivers, department efforts to encourage efficiencies, Office of Recovery Services collection efforts by type and how each contributes to the State ([Overview of ORS Collections](#)), the difference between basic foster care and privatized contracted care for youth in the custody of the Division of Child and Family Services, the decision to place a child in DCFS custody and whether or not there is any arbitrariness in that process, and the different types of foster care as well as how children enter foster care and the types and frequency of placements.

Report on intent language from the Division of Child and Family Services. Human Services provided two documents as a response to the intent language:

1. [SAFE Modernization Progress Report - September 2013](#)
2. [SAFE Modernization Cost Estimate - August 2013](#)

Report on intent language regarding the Drug Offender Reform Act (DORA) program. Utah Substance Abuse Advisory Council provided the following three documents as a response to the intent language:

1. [DORA - Report to the Office of the Legislative Fiscal Analyst - September 2013](#)
2. [DORA - Quick Facts](#)
3. [Comparison of DORA and Drug Court](#)

The council stated that the report indicates they've accomplished everything they said they would do with one exception. The exception involves recommending that any new DORA funding be done according to a formula distributing 66% to the Human Services, 32% to Corrections, and 2% to Courts. The committee discussed this and asked them to work with staff.

Report from the Department of Administrative Services regarding the increased cost for the Utah State Hospital building project. The Department of Administrative Services stated that the State Hospital pediatric and youth building is 66% complete. They also explained that at the time of original appropriation the Legislature believed there could be some savings due to depressed construction costs and made an appropriation at a lower than estimated amount. In the year and a half lag time construction costs have actually increased. Administrative Services, in conjunction with the Governor's Office, determined that the best approach was to proceed with the original plan rather than reduce a wing of the new pediatric and youth facility.